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January 24, 2003

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APPLICATION

VIA FIRST CLASS MAIL

Honorable James H. Welsh Commissioner of Conservation Louisiana Office of Conservation P. O. Box 94275 Baton Rouge, LA 70804-4275

RE:

Application For Extension of Existing Authority to Commingle Onshore Production per Well Test;

Big 3-2 RB SUR; SL 540 B No. 39 Well

West White Lake Field Commingling Facility No. 93786 West White Lake Field; Vermilion Parish, Louisiana

Applicant: Union Oil Company of California

Dear Commissioner Welsh:

Whereas obtaining consent from all interested parties concerned herein for administrative approval of commingling of the captioned Unit is impractical due to the numerosity of those parties, this Application is hereby made on behalf of Union Oil Company of California ("Unocal"), requesting that the captioned matter be set for public hearing, and upon presentation of sufficient evidence thereat, that an Order issue approving a revision of the authority for the commingling of onshore gas and gas condensate production from said Unit in West White Lake Field, as situated within the captioned parish, into the existing West White Lake Commingling Facility No. 93786. By this Application, Unocal proposes to extend the authority to commingle into said Facility as herein requested using well testing to accomplish fair allocation among all interested parties therein to one additional unit, and as per Statewide Order 29-D-1, LAC

43:XIX.1505(2)(b)(ii), requests a public hearing therefore upon ten days notice as required after due notice under La. R.S. 30:6.

Unless otherwise indicated below, this Application is made pursuant and subject to certain Unitization Orders which have been duly entered to pool and equitably allocate production among the interested parties hereto, from a number of the wells referenced below producing from defined sands recognized by the Louisiana Office of Conservation in the West White Lake Field, as situated in the captioned parish, and all as operated by Unocal. The following list the leases, units and wells, with applicable serial numbers, whose production currently flows to the "A" Platform (into which the unit and well that is the subject of this application will also flow):

	VELL	SERIAL NUMBER
State Lease 540 "A"	7	043164
	11	044709
	15	201183
	16	108211
	24	204160
	27	204585
	38	219519
	39	221746
	40	222568
State Lease 540 "B"	1 21	029661 111216
	27	138845
	38	206678
	41	214225
	42	217749
BIG 3-2 RB SUH; State Lease 540 "A" Well No.	16	199140
WWLK BIG 3-2 RC SU; State Lease 540 "A" Well No WWLK BIG 3-2 RC SU; State Lease 540 "A" Well No	o. 28	199667 205277
WWLK BIG 3-2 RC SU; State Lease 540 "A" Well No	o. 31D	206859
WWLK BIG 3-2 RC SU; State Lease 540 "A" Well No	. 34	210975

By this application, Unocal seeks authority to commingle the following unit and well whose production is serviced by the "A" Battery, in the same manner as previously granted and as per the extension requested herein:

LEASE OR UNIT

BIG 3-2 RB SUR; State Lease 540 B

WELL SERIAL NUMBER
39 207666

Additionally, enclosed herewith are the following:

- 1. A detailed narrative explanation of the flow of natural gas, liquid hydrocarbons, and produced water through the Facility; the procedures for testing and measurement of the volumes of gaseous and liquid hydrocarbons from each well flowing into the facility via periodic well tests; the metering of total gaseous and liquid hydrocarbons, and produced water processed through the facility; the frequency of inspections and/or calibration of the metering devices to be used to measure natural gas, liquid hydrocarbon, and produced water volumes for equitable allocation; and, the formulas to be utilized to calculate equitable allocation of natural gas and liquid hydrocarbons, and water volumes therefrom;
- 2. A detailed schematic flow diagram of the mechanical facilities to be used for commingling, including specific well test equipment and meter locations to be used for allocation purposes;
- 3. A list of Interested Parties concerned as per the new leases and units concerned herein; and
- 4. A check in the amount of \$755.00 representing the required filing fee for this application to request a public hearing.

Unocal, as the owner and operator of the facilities included in the West White Lake Commingling Facility No. 93786 in the West White Lake Field, makes this Application proposing to accomplish commingling and allocation by well test of onshore production in the manner set forth in the narrative explanation attached hereto, and with reference and as shown on the detailed schematic flow diagram of the proposed commingling facility attached hereto.

Therefore, Unocal requests that notice of the filing of this Application be published in the official journal of the State of Louisiana. Further, Unocal requests that a copy of said notice be forwarded to Unocal through counsel for mailing to all parties on the Interested Parties list, to be proved by an affidavit of mailing submitted to the Office of Conservation. Upon such due notice, Unocal requests that this matter be set for public hearing pursuant to La. R.S. 30:6 for consideration by the Commissioner of this Application for the issuance of an Order approving the commingling of produced natural gas and liquid hydrocarbons from the aforementioned units and sands, and tested per well test and metered for total volume for commingling and equitable allocation as proposed.

Pursuant to the duly signed statement attached hereto, it is the opinion of Unocal, that the commingling of natural gas and liquid hydrocarbons and the use of well test for allocation of production in the manner proposed herein will provide reasonably accurate measurement, will not create inequities, and will afford the owner of any interest therein the opportunity to recover his just and equitable share of production or revenues accruing from the units and wells under consideration. An equity statement executed by an appropriate Unocal representative is attached hereto, attesting to and confirming same.

A reasonable effort was made to ascertain the names and addresses of all Interested Parties. A copy of this Application has been mailed to the District Manager of the Lafayette District, Office of Conservation. Upon receipt of the Legal Notice, the Applicant will mail a copy of same to all Interested Parties in accordance with Statewide Order 29-D-1, and forward to you the required affidavit of mailing.

Very truly yours,

BRENT G. SONNIER

Attorney for UNION OIL COMPANY OF CALIFORNIA

BGS (Enclosures)

,

CC:

Mr. Richard Hudson, District Manager, Louisiana Office of Conservation, Lafayette District

Mr. Todd Keating, Engineer Louisiana Office of Conservation, Baton Rouge Office

Mr. Charles Bradbury, Engineer Louisiana Mineral Board

All Interested Parties

xc: Eva Bailey (Sugar Land, TX)